

The CURE

Contract User's Resource for Excellence

The "CURE" is a quarterly newsletter of the State Controller's Office

Volume 11, Issue 4

November 2005

News From The SCO A State Controller's Office Update

(CCIT) Colorado Contract Improvement Team Meeting

DATE: Wednesday, November 16, 2005

TIME: 9:00 am - 12:00 pm

WHERE: Camp George West
Building 100

ADDRESS: 15055 So. Golden Road
Golden, CO

A map is located at:
www.colorado.gov/dpa/dfp/sco/cure.htm

New CCIT Group E-Mail Subscription Service

The CCIT / CURE e-mail list is now by subscription only. To subscribe, send an empty e-mail to the address listed below and follow the instructions or contact Kevin Cruise at kevin.cruise@state.co.us

dpalists-ccit_cure-subscribe@dpa1.state.co.us

2006 CCIT Meeting Schedule

The 2006 CCIT meetings will be held on: Wednesday, February 15th; Wednesday, May 24th; Wednesday, August 16th & Wednesday, November 15th. May's meeting is held on the 4th Wednesday because of the CFMA/CIMA/CSMA Spring Seminar which is always scheduled for the week of May 15th. The location will be announced in the quarterly issue of "The CURE".

*The State
Controller's Office
has moved*

Our new address:

**633 17th Street, Suite 1500
Denver CO 80202**

[Note: All phone and fax numbers for office staff have remained the same.]

What's In a Name?

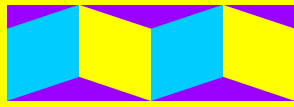
**by Heidi Dineen,
Attorney General's Office**

What difference does it make if the vendor's name is not correct? If you are contracting with the City of Denver it apparently makes a huge difference. An August 19, 2005 article in the Denver Post, describes a dispute between the Denver Auditor, Dennis Gallagher, and United Parcel Service, where the City of Denver is demanding that UPS pay an additional \$275,000 to the City. A contract with UPS Co. was erroneously signed by UPS Inc. Since the "wrong company" signed the contract, the Denver Auditor wants UPS to pay again for its lease of airfield space at DIA. Although City officials describe the error as a clerical mistake, the City Auditor is not backing off and is demanding payment.

When the Attorney General's Office or State Controller insist that a contract be revised to reflect the correct legal name of the vendor, it may seem like a minor issue. Payment and performance disputes with vendors can be avoided by making sure the contract is with the correct legal entity. Don't rely on the vendor to know the correct name of their company. Many companies market and operate under a trade name, which is not a legal entity; it is more like a nickname. Look up the name of the company on the Colorado Secretary of State website or obtain a copy of the vendor's articles or similar formation documents.

Central Approvers Names and Numbers

NAME	PHONE #	FAX #
<u>Department of Personnel & Administration (DPA)</u>		
State Controller's Office (SCO)		
Central Contract Unit:	Phone Number	Fax Number
Phil Holtmann	303-866-3809	303-866-4233
Yvonne Anderson	303-866-2862	303-866-4233
Kevin Cruise	303-866-2127	303-866-4233
Human Resource Services (HRS)		
<u>Personal Services Review Program</u>		
Joi Simpson	303-866-5496	303-866-2458
Don Fowler	303-866-4250	303-866-2458
<u>State Buildings and Real Estate Programs (SBREP)</u>		
Larry Friedberg (SB)	303-866-3079	
Dana Stansbury (SB)	303-866-6141	303-894-7478
Clark Bolser (REP)	303-866-4759	303-866-2201
Mike Karbach (REP)	303-866-4564	303-866-2201
<u>State Purchasing (SPO)</u>		
Thirza Kennedy	303-866-6100	303-894-7440
<u>Office of the Attorney General (AGO)</u>		
Bea Pagette	303-866-5227	303-866-4139
Heidi Dineen	303-866-5437	303-866-4139
Linda Shubow	303-866-5027	303-866-4139
Meg Whitelaw	303-866-3376	303-866-4139



An Important Note from the Personal Services Program -

By Joi Simpson, Program Coordinator

As most of you know, on July 1, 2005, new rules went into effect concerning the requirements for approving personal services contracts. While some requirements remain the same, there have been some substantial changes in how personal services contracts are processed and what departments need to consider before entering into contract agreements. A discussion of some of the changes follows.

Decentralization

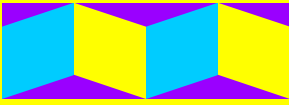
Decentralization has been a topic of discussion over the past 12 years and the Division of Human Resources (DHR) has been working towards that end. Over the past four years, DHR staff has been delivering extensive training on the personal services review process, that includes interpretation of the statutes and rules, and performing cost comparisons. In addition, DHR has performed audits of departments over the past several years through the Peer Review process established by State Purchasing and in concert with the State Controller's office.

In 2004, DHR established a statewide waiver pilot process to further streamline the personal services processes and establish standards were the departments and institutions of higher education (departments) could conduct the reviews on their own. The recent changes to Personnel Director's Rules, Chapter 10, further define standards for effectuating how permanent ongoing labor needs should be carried out by the state. In addition, the changes to the rules further clarify what departments should consider before entering into contracts and also guide departments to understanding their business needs before contracting out a service. It is through these initiatives that departments now have a greater understanding of why the personal services review is critical to the contracting process and paved the way for decentralization.

Therefore, individual departments are now responsible for the review and approval of personal services contracts. This includes performing an analysis to determine the impact on the state's personnel system and performing a business analysis that supports the contracting of labor needs for the state. DHR has provided technical guidance on our Web site to further clarify the requirements of Chapter 10, <http://www.colorado.gov/dpa/dhr/rules/techasst.htm>. Individuals responsible for contracts are strongly encouraged to read through the entire guidance to get a complete understanding of the personal services contracting requirements.

Only HR professionals that have met the proficiency requirements for certification have the authority to sign off on the required documentation for personal services review. DHR is in the process of updating current department HR delegation agreements that will specify those requirements.

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An Important Note from the Personal Services Program cont.

Review Requirements

The review of personal services contracts includes: ensuring a business case has been established, evaluating the impact to state personnel system employees, providing proper notice to employees who may be impacted by a contract, ensuring appropriate provisions are included within the contract, and ensuring that factual documentation supporting the contract is provided, i.e., cost comparison and supporting facts. For the most part, programs are responsible for providing all supporting documentation to their HR office. Program staff should consult with their managers and HR professionals to determine to what extent a business case needs to be performed and what supporting documentation needs to be provided.

HR offices are responsible for establishing procedures and process requirements for their departments. The processes and procedures should be published and communicated to department staff. DHR has found that when purchasing, contracting, and HR professionals cooperate to establish these processes and procedures, the transition is smoother and department staff then has a more global understanding of the entire contracting processes.

HR administrators may issue internal personal services program waivers in accordance with C.R. S. 24-50-511 for services, provided that a detailed analysis is conducted that demonstrates his or her knowledge of the department's contracting activity. This process must be documented and any proposed program waiver must be submitted to DHR for review prior to implementation. Departments must keep in mind that the waiver of review issued by the HR administrator is only excusing review of certain types of service contracts and is not intended to waive the requirements of statute or Chapter 10 rules.

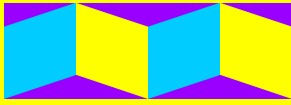
DHR will no longer issue individual program waivers to departments. Any personal services program waiver currently in place will expire on **December 31, 2005**, or its scheduled expiration date, whichever comes sooner.

In addition, the rules require that departments notify employees that are directly impacted by a contract at least 30 days prior to contract execution. Employees will have the opportunity to request a director's review to determine the legality of the contract.

DHR's Role

In general, DHR will no longer need to review any personal services contract provided that departments have an HR professional certified in personal services contracts review. However, if a department does not have anyone meeting these standards, all personal services requests that require a review must be sent to DHR for final review and approval until the appropriate personnel are certified. Departments should consider having more than one professional certified in the review process.

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An Important Note from the Personal Services Program cont.

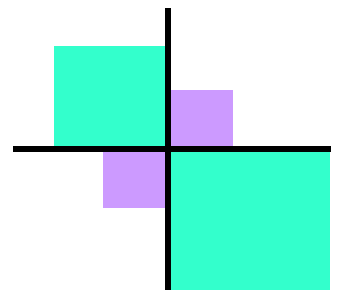
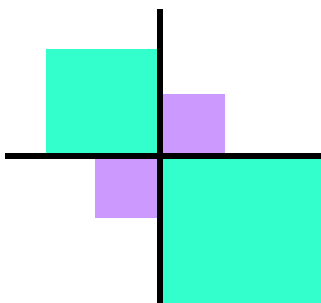
DHR staff will continue to consult with departments on contract issues, conduct performance audits, establish and modify current policies and rules, publish technical assistance, provide training, and be involved in the director's review process.

Next Steps

DHR staff will be working with representatives from the State Contract Administrators Network (SCAN), a sub-group of the Colorado Contract Improvement Team (CCIT) to establish performance evaluation criteria for those responsible for monitoring contractor performance. In addition, DHR staff will work with SCAN to develop competency standards in the area of contract performance management to assist with recruiting highly qualified contract managers.

There are some new requirements for contract provisions that need to be included in all state contracts, i.e., clearly defined performance objectives, sanctions for untimely performance, and consequences for failed performance. For the most part, the boilerplate contract language established in the contract manual covers these provisions. However, DHR staff will work with the State Controller's and the Attorney General's Offices to ensure that there are adequate sample provisions for departments to draw from.

As always if departments have suggestions or questions regarding any of the changes or requirements to the personal services review process, please contact me directly at 303.866.5496 or email joi.simpson@state.co.us



IMPORTANT REMINDERS...

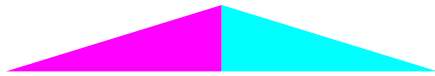
Colorado Contract Procedures & Management Manual

Note that Chapter 6 and Appendix A of the Contract Manual were recently updated and include changes to the insurance provisions and dollar thresholds. All those currently on the CCIT group email list were forwarded this information in early April 2005. If you are not set up on our email list, please note that we are using a subscription service and you will need to sign up on your own. Please see page 1 of the newsletter for more information.

Note that all State Controller contract policies, the Fiscal Rules (specifically 2-2, 3-1 & 4-1) and the most updated version of the Contract Manual are conveniently located on the SCO website (www.sco.state.co.us). All contract, financial and purchasing personnel are encouraged to review these documents. If you need assistance or have questions, please feel free to call Phil Holtmann at (303)866-3809 or Yvonne Anderson at (303) 866-2862.

STATEWIDE CONTRACT TRAINING

Many new contracting classes are now available. We are excited to offer these one day and half day courses. Brad Mallon, our professional trainer, will be one of our guest speakers at the CCIT meeting in November. He will be sharing information about these great new classes!! If you are not able to attend the meeting and are interested in signing up for some training or need more information, you may call the Professional Development Center @ (303)866-4265 or (303)866-2439.



CCIT (Colorado Contract Improvement Team) Meeting

Wednesday, November 16, 2005

Camp George West

Agenda

9:00 — 9:10 a.m.Welcome.....
Phil Holtmann, State Controller's Office

9:10—9:30 a.m.Update on Statewide Contracts Training.....
Brad Mallon, Professional Development Center

9:30—10:00 a.m.Personal Services Update.....
Joi Simpson, Human Resource Services

B - - -R - - -E - - -A - - -K

10:30—11:45 a.m.Panel Discussion - - Contract Writing.....
Heidi Dineen, First Assistant Attorney General
Meg Whitelaw, First Assistant Attorney General

11:45—NoonNew Business.....

